

BALL JANIK LLP

A T T O R N E Y S

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WASHINGTON, D.C. 20005

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(202) 466-6532

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RECORDATION NO. 15600-H  
MAY 2 '97 10-25 AM

May 2, 1997

*Counterparts - J. Williams*  
Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Release of Collateral, a secondary document, dated as of April 29, 1997. The primary document to which this is connected is recorded under Recordation No. 15600. We request that this document be recorded under Recordation No. 15600-H.

The names and addresses of the parties to the Partial Release of Collateral are:

Secured Party:

Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94163

Debtor:

Southdown, Inc.  
1200 Smith Street  
Houston, TX 77002

A description of the equipment covered by the Partial Release of Collateral consists of 47 110-ton covered hopper cars numbered SDWX 9774, 9778, 9817-9820, inclusive, 9822-9833,

BALL JANIK LLP

Honorable Vernon A. Williams  
May 2, 1997  
Page 2

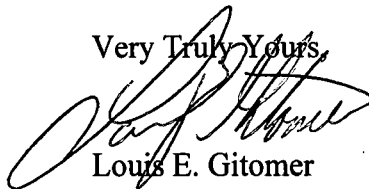
inclusive, 9848, 9850, 9851, 9854-9857, inclusive, 9859, 9866, 9876, 9879-9885, inclusive, and 9888-9899, inclusive.

A fee of \$24.00 is enclosed. Please return one original of the document to:

Louis E. Gitomer  
Of Counsel  
Ball Janik LLP  
Suite 225  
1455 F Street, N.W.  
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Release of Collateral between Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, CA 94163, and Southdown, Inc., 1200 Smith Street, Houston, TX 77002 covering 47 110-ton covered hopper cars numbered SDWX 9774, 9778, 9817-9820, inclusive, 9822-9833, inclusive, 9848, 9850, 9851, 9854-9857, inclusive, 9859, 9866, 9876, 9879-9885, inclusive, and 9888-9899, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name.

Louis E. Gitomer

Enclosures

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20425-0001

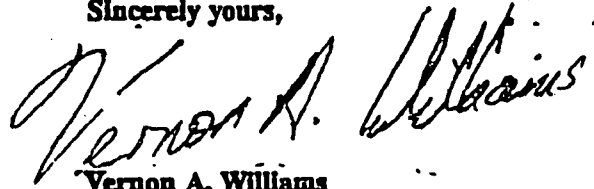
5/2/97

Louis E. Gitomer  
Ball Janik LLP  
1455 F Street, NW., Ste. 225  
Washington, DC., 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/2/97 at 10:25AM, and assigned recordation number(s). 20665, 15599-E and 15600-H.

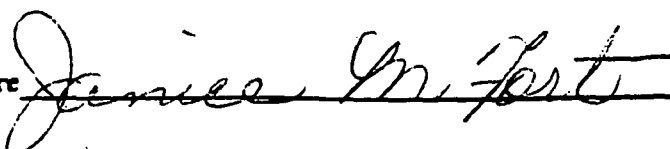
Sincerely yours,

  
Vernon A. Williams  
Secretary

Enclosure(s)

\$ 72.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MAY 2 '97

10-25 AM

**PARTIAL RELEASE OF COLLATERAL**

**THIS PARTIAL RELEASE OF COLLATERAL**, dated as of April 29, 1997 (this "Partial Release"), is executed by **WELLS FARGO BANK, N.A.**, a national banking association, in its capacity as agent ("Secured Party") for the banks and financial institutions which are signatories to that certain Second Amended and Restated Credit Agreement, dated as of November 19, 1993 (as from time to time amended, modified, renewed, extended, restated, replaced, or supplemented, herein referred to as the "Credit Agreement"), entered into among Southdown, Inc., a Louisiana corporation and successor by merger to Southwestern Portland Cement Company, a Delaware corporation ("Debtor"), Secured Party, and the other banks and financial institutions that from time to time are parties thereto. Secured Party and Debtor are parties to that certain Security Agreement, dated as of April 5, 1988, and recorded with the Interstate Commerce Commission on April 22, 1988 (Recordation Number 15600), as amended by that certain Amendment Number One to Security Agreement dated as of May 22, 1989, as amended by that certain Amendment Number Two to Security Agreement, dated as of April 30, 1991 and recorded with the Interstate Commerce Commission on July 30, 1991 (Recordation Number 15600-A), and as amended by that certain Amendment Number Three to Security Agreement, dated as of November 19, 1993 and recorded on January 5, 1994 with the Interstate Commerce Commission (Recordation Number 15600-B) (as amended, supplemented or otherwise modified, the "Security Agreement").

Secured Party hereby releases its security interest in after acquired property created by section three of the Security Agreement for 47 110-ton covered hopper cars numbered SDWX 9774, 9778, 9817-9820, inclusive, 9822-9833, inclusive, 9848, 9850, 9851, 9854-9857, inclusive, 9859, 9866, 9876, 9879-9885, inclusive, and 9888-9899, inclusive. Except as expressly modified and amended by this Partial Release, the provisions of the Security Agreement shall remain in full force and effect in accordance with their original terms.

Secured Party has executed this Partial Release as of the date first set forth above.

**WELLS FARGO BANK, N.A.,**  
a national banking association

By: Title: 

ACKNOWLEDGED AND ACCEPTED:

**SOUTHDOWN, INC.**

a Louisiana corporation

By: L Craig Carleton  
Title: Assistant Treasurer

STATE OF TEXAS

)

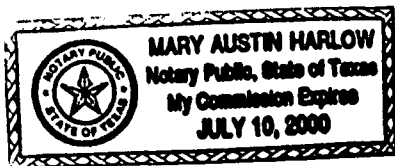
) ss

COUNTY OF HARRIS

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On 4/29/97, before me, the undersigned, a Notary Public in and for said State, personally appeared John A. Fields, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Mary Austin Harlow  
Notary Public in and for Said State

STATE OF TEXAS

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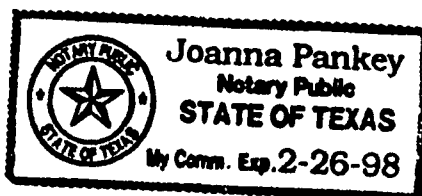
) ss

COUNTY OF HARRIS

)

On April 29, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared L. Craig Carleton, personally known to me (or proved to me on basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Joanna Pankey  
Notary Public in and for Said State